

GEMSTONE MINING INC

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cm/001/045

July 19, 1999

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

RE: Review of Notice to Commence Large Mining Operations, Gemstone Mining Inc., Ruby Violet Mine,
M/001/045, Beaver County, Utah

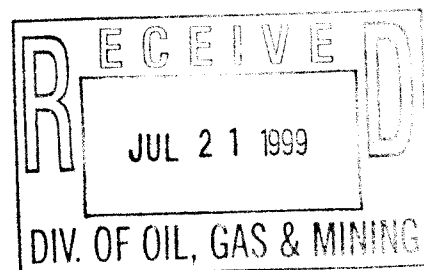
Dear Wayne Hedberg,

Attached is our revised maps and explanations requested during a meeting with your staff on 7/13/99. Please note that there are several attachments (A-I) included to help clarify your comments and answer your questions. Thank you for your help.

Sincerely,



Clinton H. Christensen
Project Manager



0005

**REVISED RESPONSE TO REVIEW OF NOTICE OF INTENTION TO
COMMENCE LARGE MINING OPERATIONS**

**Gemstone Mining Inc.
Ruby Violet Mine**

**M/001/045
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Additional Clarifications

Concrete at the new plant site will be broken up and buried on site in the settling ponds. Topsoil recovered at the plant site will be stored as shown on attachment D.

Areas that can be ripped and seeded during operation of the mine will be reclaimed on an ongoing process (i.e. the current mine office site).

The revised reclamation maps show a finished slope of 21 degrees or less. The dump toe slope and size will vary throughout the life of the mine. In the first five years they will not exceed the slope and size limits of the 5-year mine plan.

Cross-sections A and C have been provided for slope evaluation. The cross-sections are based on the final life of mine plan.

A category has been added to the 5-year bonding calculation. An estimate of 3 acres for visual impact reduction has been added. Note an increase in the estimated area of disturbance for the first five years.

5 YEAR RECLAMATION BONDING CALCULATIONS FOR RUBY VOLET MINE, WASTE ROCK, NEW PLANT SITES AND ROADS

Item/Description	Quantity	Units	Unit Costs in \$	Total Cost in \$
Reclaim the Mine Areas				
Rough Grade/Contour Mine Areas	13.3	acres	500	6650
Reduce Visual Impact	3	acres	1500	4500
Replace Growth Media	10.3	acres	1500	15450
Revegetate	13.3	acres	1700	22610
Subtotal	13.3	acres		49210
Reclaim Waste Rock Area				
Rough Grade/Contour Areas	17.2	acres	500	8600
Erosion Control Structures	17.2	acres	500	8600
Replace Growth Media	17.2	acres	1500	25800
Revegetate	17.2	acres	1700	29240
Subtotal	17.2	acres		72240
Reclaim New Plant Site				
Remove Equipment/Structures	1	Lump Sum	5000	5000
Remove Concrete	35.2	Cubic Yards	50	1760
Rough Grade	8.9	acres	500	4450
Spread Waste Rock	8.9	acres	1500	13350
Replace Topsoil Material	8.9	acres	1500	13350
Revegetate	8.9	acres	1700	15130
Subtotal	8.9	acres		53040
Reclaim Roadways				
Remove Culverts	2	each	200	400
Rough Grade	0.99	acres	500	495
Replace Topsoil Material	0.99	acres	1500	1485
Erosion Control	0.99	acres	1500	1485
Revegetate	0.99	acres	1700	1683
Subtotal	0.99	acres		5548
Total for all sites	40.39	acres		180038
Supervision 5%				9001.9
Contingency 10%				18003.8
Subtotal				207043.7
5-years Escalation @ 3.27% Per Year				36139.13
TOTAL				243182.83